

File Ref : CIB 89/18/1

**Information Note for Legislative Council  
Panel on Commerce and Industry**

**Appointment of New Service Provider and Service Agents for  
Electronic Submission of Cargo Manifests**

**Purpose**

This paper reports to Members –

- (a) Government's appointment of Global e-Trading Services Limited (Ge-TS) to provide electronic services for submitting cargo manifests (EMAN services);
- (b) Tradelink Electronic Commerce Limited (Tradelink)'s appointment of six Chambers of Commerce to provide Electronic Trading Access Service (ETAS) for its EMAN services; and
- (c) the consequential legislative amendments arising from the above appointments.

**Background**

2. To promote electronic commerce, improve efficiency and reduce the use of paper, the Government has since 1997 introduced the

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Government Electronic Trading Services (GETS)<sup>1</sup> for the trading community to submit via GETS service providers to the Government by electronic means a number of official trade-related documents, including trade declarations (TDEC), dutiable commodities permits (DCP) and cargo manifests. To cater for traders/carriers who do not have the IT capability of making direct electronic submissions from their own offices, a GETS service provider is required to provide ETAS whereby traders'/carriers' paper form submissions are converted into electronic form submissions for onward transmission to the Government. A GETS service provider may provide ETAS itself, or may engage other agents to provide ETAS.

3. The EMAN services for air, rail, river and ocean cargoes were launched in April 2003 upon the coming into effect of the Import and Export (Electronic Transactions) Ordinance 2002. The use of EMAN services has become mandatory since July 2004 for air and rail cargoes and will become mandatory with effect from 16 June 2006 for ocean and river cargoes. At present, Tradelink is the only GETS service provider for EMAN services and provides its own ETAS for this purpose.

## **Appointment of New Service Provider and Service Agents**

4. After consulting this Panel in February 2001 (LC Paper No.

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<sup>1</sup> GETS refers to the front-end electronic services whereby a service provider collects data electronically from traders and carriers, confirms their identity, validates such data, and transmits the data to the Government's backend computer systems for the latter to perform a wide variety of functions, including customs clearance, compilation of trade statistics, import and export licensing control, origin certification, etc.

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CB(1)552/00-01(05)), the Government conducted a tender exercise to open up the GETS market in 2002 by appointing additional service providers to bring in competition for the provision of TDEC, DCP and EMAN. We reported in April 2003 to this Panel (LC Paper No. CB(1)1410/02-03(05)) the outcome of the GETS tender exercise which resulted in the appointment of Ge-TS as an additional GETS service provider for the provision of electronic services for TDEC and DCP. Ge-TS also indicated then its intention to provide EMAN services which were optional under the terms of the tender exercise. In line with the Government's policy to introduce competition in to the GETS market by appointing additional service provider(s) as and when the opportunity arises, we just signed a contract with Ge-TS on 11 April 2006, appointing the latter as an additional GETS service provider for EMAN services up to end 2008. The duration and terms of the contract are essentially the same as those of other existing GETS contracts for TDEC, DCP and EMAN services.

5. In anticipation of the increase in demand for ETAS arising from the mandatory use of EMAN services for ocean and river cargoes with effect from 16 June 2006, Tradelink has decided to appoint its six existing ETAS agents for TDEC services to provide ETAS for EMAN services as well. These six ETAS agents are the Federation of Hong Kong Industries, the Chinese General Chamber of Commerce, the Chinese Manufacturers' Association of Hong Kong, the Hong Kong General Chamber of Commerce, the Indian Chamber of Commerce Hong Kong and the International Chamber of Commerce - Hong Kong, China.

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Ge-TS has decided to provide ETAS itself.

### **Consequential legislative amendments**

6. The Import and Export Ordinance (Cap 60) governs the administration of both TDEC and manifests for general cargoes and the Reserved Commodities Ordinance (Cap 296) governs the administration of manifests for reserved commodities. To ensure a sound legal basis for the status of GETS service providers and their ETAS agents in the processing of these trade documents, both Ordinances list out these service providers and agents by way of Schedules. Amendments to the Schedules can be made by the Secretary for Commerce, Industry and Technology through notice published in the Gazette. Tradelink and its six ETAS agents for TDEC services were included in Schedules 2 and 3 to Cap 60 in May 1995 and January 1999 respectively, and Ge-TS was added to these Schedules in January 2004 after we signed a contract with it to provide TDEC services. Tradelink was also included in Schedules 1 and 2 to Cap 296 in 2003 just before it launched its EMAN services. Annex The existing Schedules of Cap 60 and Cap 296 are at Annex.

7. To tie in with the appointment of Ge-TS as an additional EMAN service provider and the appointment of new ETAS agents by Tradelink for its EMAN services, we need to add Ge-TS to the list of specified electronic services provider in Schedule 1 to Cap 296 and add the six Chambers of Commerce in paragraph 5 and Ge-TS to the list of specified electronic services agents in Schedule 2 to Cap 296. Amendments to the Schedules to Cap 60 are not necessary since Ge-TS and the six Chambers

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of Commerce concerned were already included.

8. The above amendments will be effected through a Gazette Notice to be made by the Secretary for Commerce, Industry and Technology under Cap 296. As Ge-TS and the six Chambers of Commerce concerned are ready to launch their services for EMAN in June 2006 and in view of the mandatory use of EMAN services for ocean and river cargoes with effect from 16 June 2006, we intend to publish the Amendment Notice in the Gazette on 28 April 2006, table it at the Legislative Council for negative vetting on 3 May 2006 and commence its operation on 1 June 2006. The proposed commencement date of 1 June 2006 will give the concerned parties some lead time to introduce their services before the date when the use of EMAN services becomes mandatory. This will also enable the trading community to enjoy as soon as possible the benefits from more competition in the GETS market. We are only in a position to report to this Panel now as Ge-TS only confirmed with us its interest in providing EMAN services towards the end of 2005 and it took time to complete the necessary contract negotiations.

## **Conclusion**

9. Members are invited to note the appointment of the new service provider and service agents for EMAN services in paragraphs 4 and 5 and the timetable of the consequential legislative amendments to the relevant Schedules to the Reserved Commodities Ordinance (Cap 296) in

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paragraph 8.

**Commerce and Industry Branch  
Commerce, Industry and Technology Bureau  
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**IMPORT AND EXPORT ORDINANCE (CAP 60)**

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**Heading SPECIFIED BODIES**

[sections 2 & 39]

1. Tradelink Electronic Commerce Limited
2. Global e-Trading Services Limited (Added L.N. 223 of 2003)  
(Added 30 of 1995 s. 17. Amended L.N. 586 of 1997)

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<b>Schedule Num:</b>	<b>3</b>	<b>Version Date</b>	<b>01/01/2004</b>
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**Heading SPECIFIED AGENTS**

[sections 2 & 39]

1. Tradelink Electronic Commerce Limited
2. Federation of Hong Kong Industries (Added L.N. 380 of 1998)
3. The Chinese General Chamber of Commerce (Added L.N. 380 of 1998)
4. The Chinese Manufacturers' Association of Hong Kong (Added L.N. 380 of 1998)
5. The Hong Kong General Chamber of Commerce (Added L.N. 380 of 1998)
6. The Indian Chamber of Commerce Hong Kong (Added L.N. 380 of 1998)
7. Dah Sing Bank, Limited (Added L.N. 71 of 2000)
8. International Chamber of Commerce-Hong Kong, China Business Council (Added L.N. 71 of 2000)
9. Global e-Trading Services Limited (Added L.N. 223 of 2003)  
(Added 30 of 1995 s. 17. Amended L.N. 587 of 1997)

**RESERVED COMMODITIES ORDINANCE (CAP 296)**

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**Heading** SPECIFIED ELECTRONIC SERVICES PROVIDERS

[section 2]

1. Tradelink Electronic Commerce Limited  
(Schedule 1 added 24 of 2002 s. 3)

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**Heading** SPECIFIED ELECTRONIC SERVICES AGENTS

[section 2]

1. Tradelink Electronic Commerce Limited  
(Schedule 2 added 24 of 2002 s. 3)